

# Wireless Communication System **PASOLINK Business**

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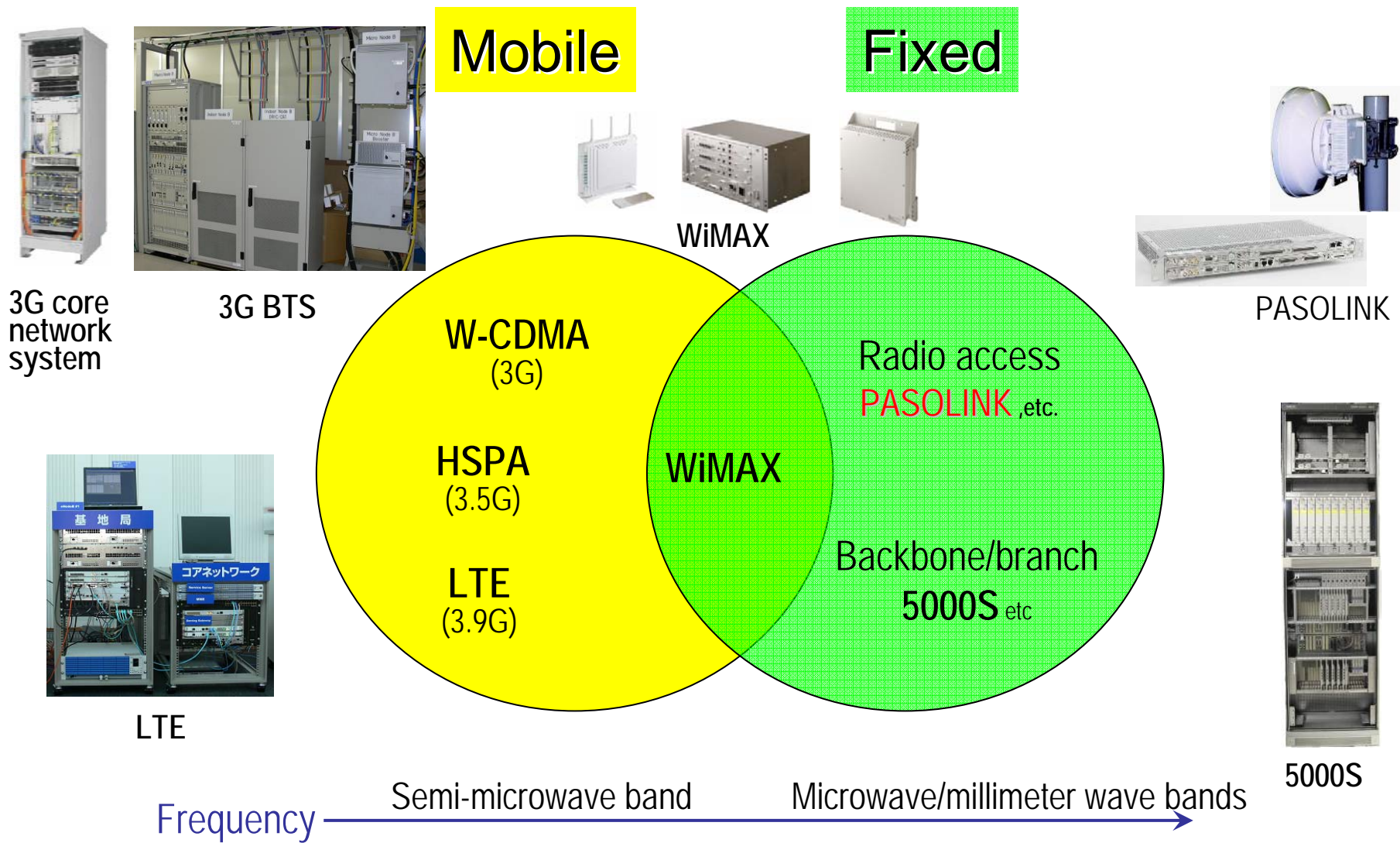
- Transition of Wireless Communication Systems Business and Background of PASOLINK
- Current Status of PASOLINK Business
- PASOLINK Business Strategy

# Transition of Wireless Communication Systems Business and Background of PASOLINK

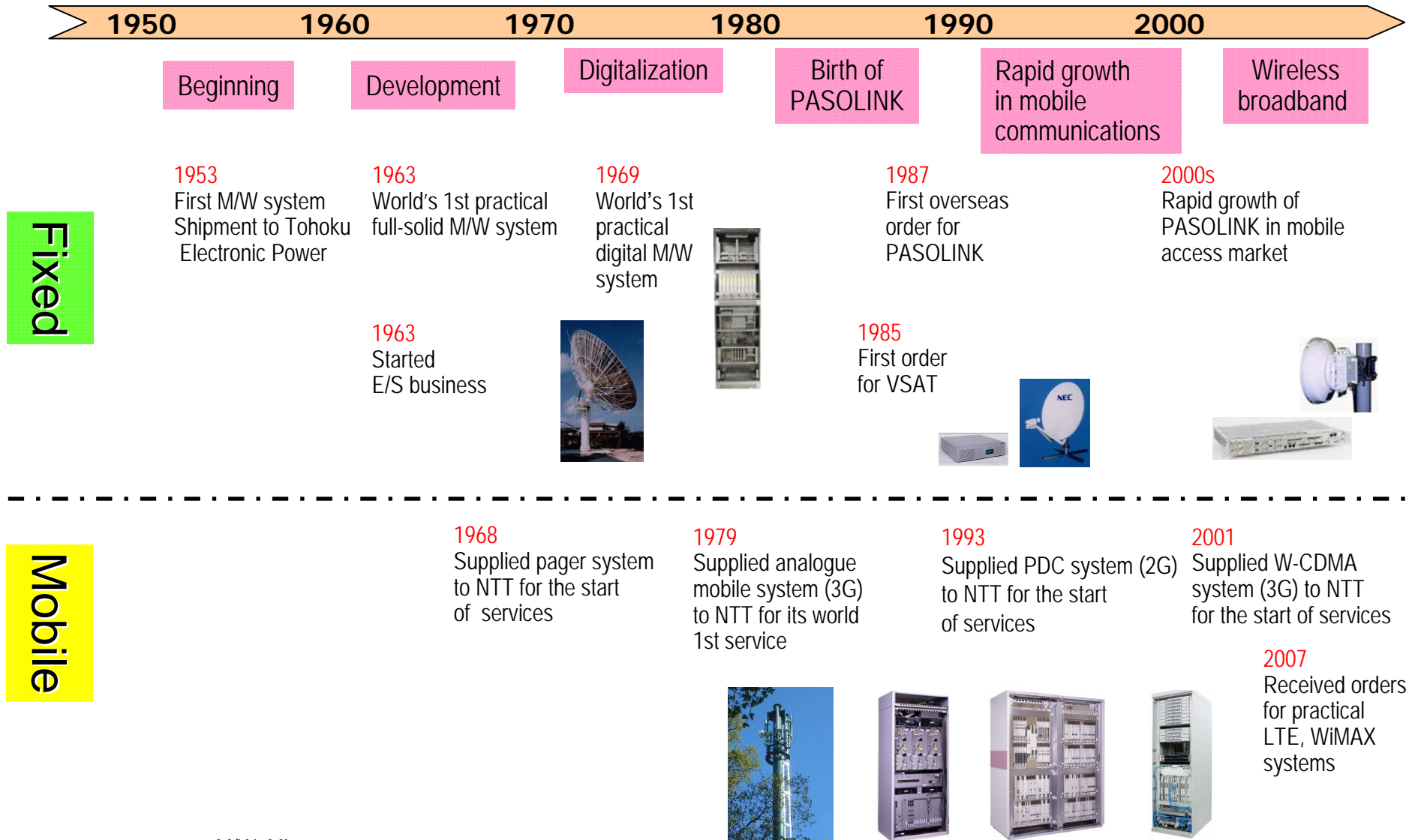


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# Wireless Business Product Lineup



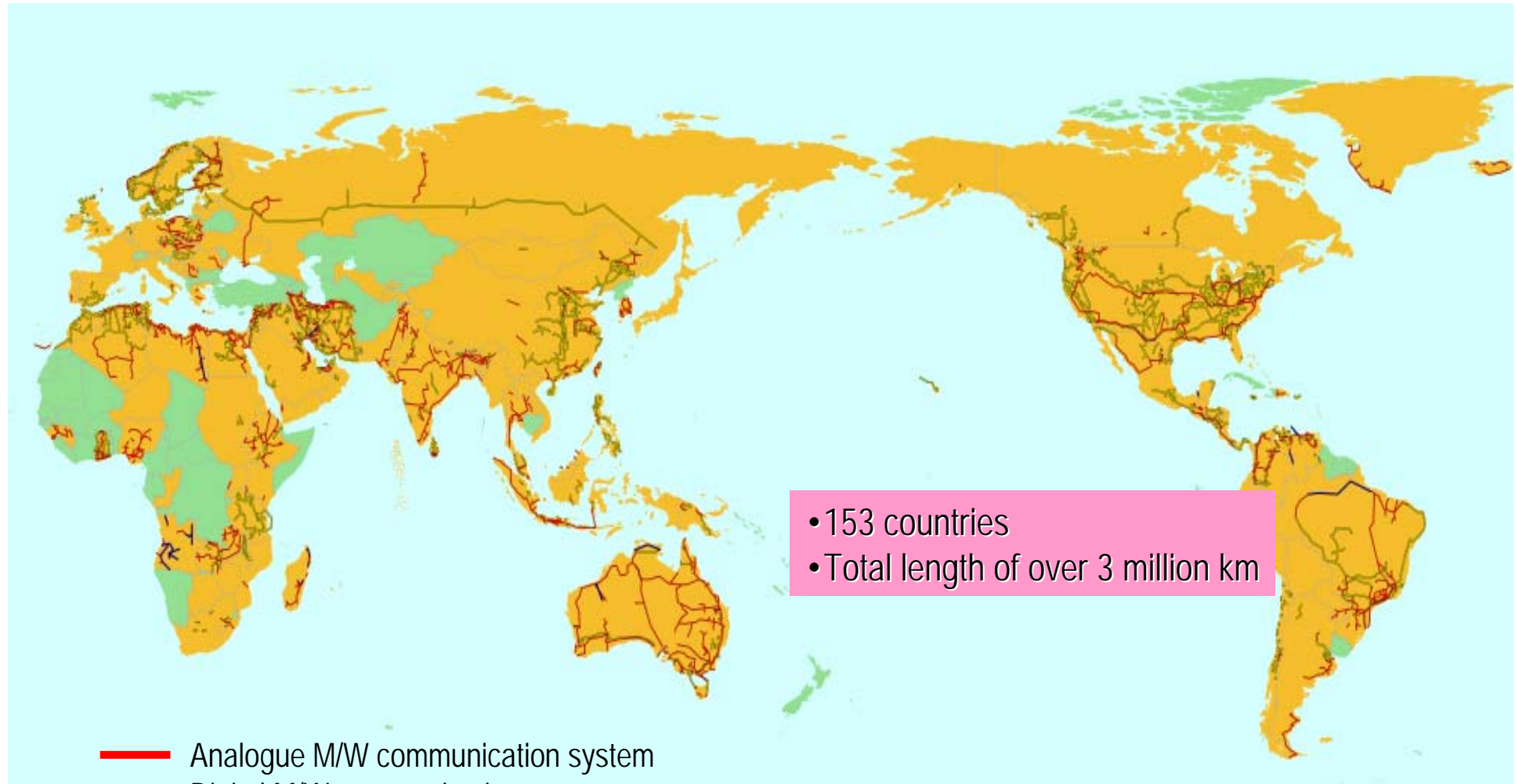
# History of NEC's Wireless Communication System Business



M/W: Microwave

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# M/W Communication Systems Supply Record



- 153 countries
- Total length of over 3 million km

- Analogue M/W communication system
- Digital M/W communication system
- Over-the-horizon M/W communication system

# What is PASOLINK ?

## ■ Definition

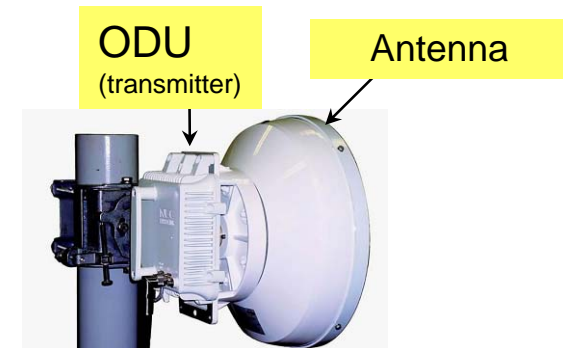
- Point-to-point ultra-small microwave communication system

## ■ Usage

- Various usages
  - Dedicated data links for enterprises
  - Access lines for fixed networks, etc.
- Access line among mobile BTS (Base Transceiver Stations) is the largest demand

## ■ Characteristics

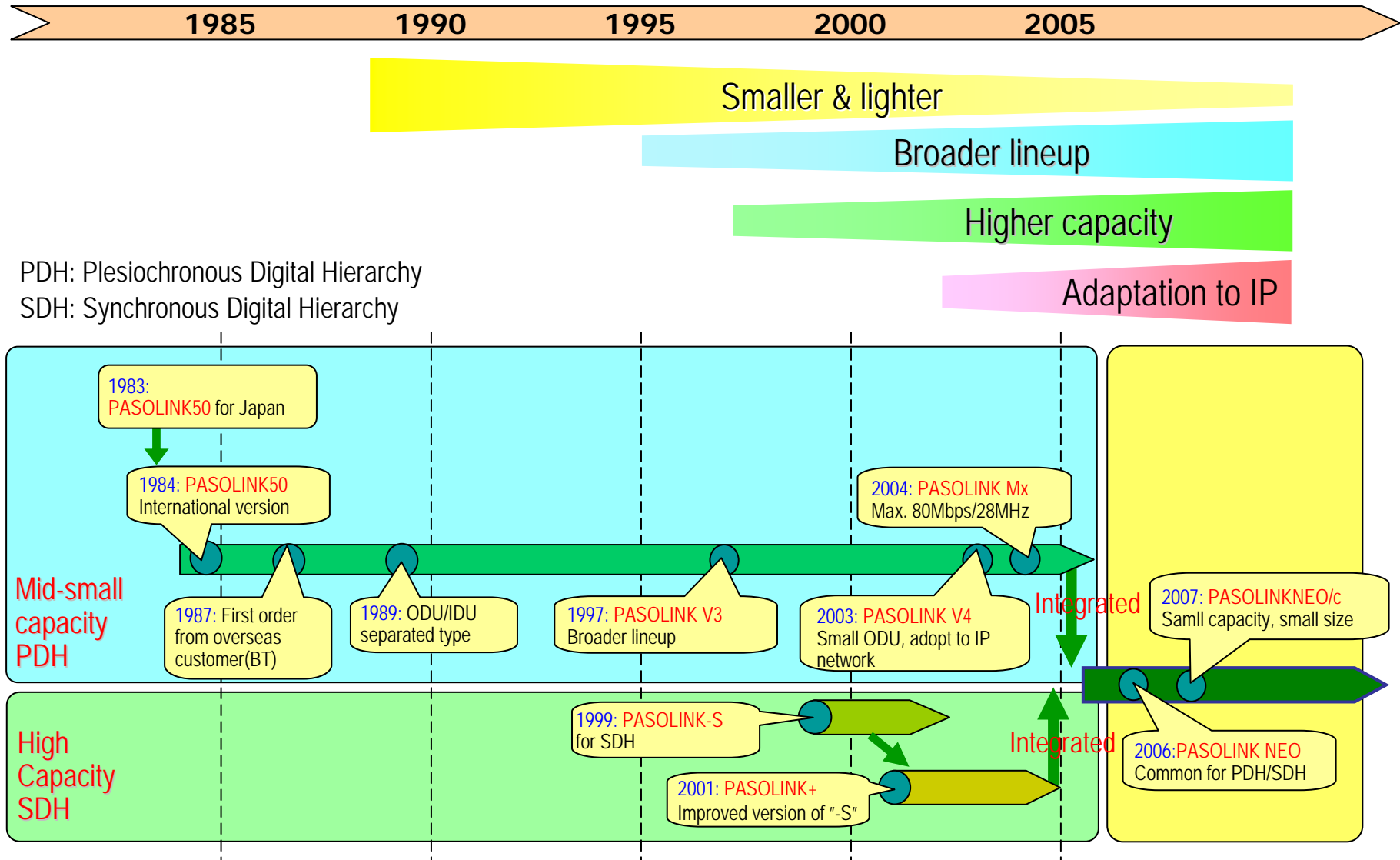
- System construction is much more speedy and economical than wireline (optical cable)



PASOLINK Device  
Configuration

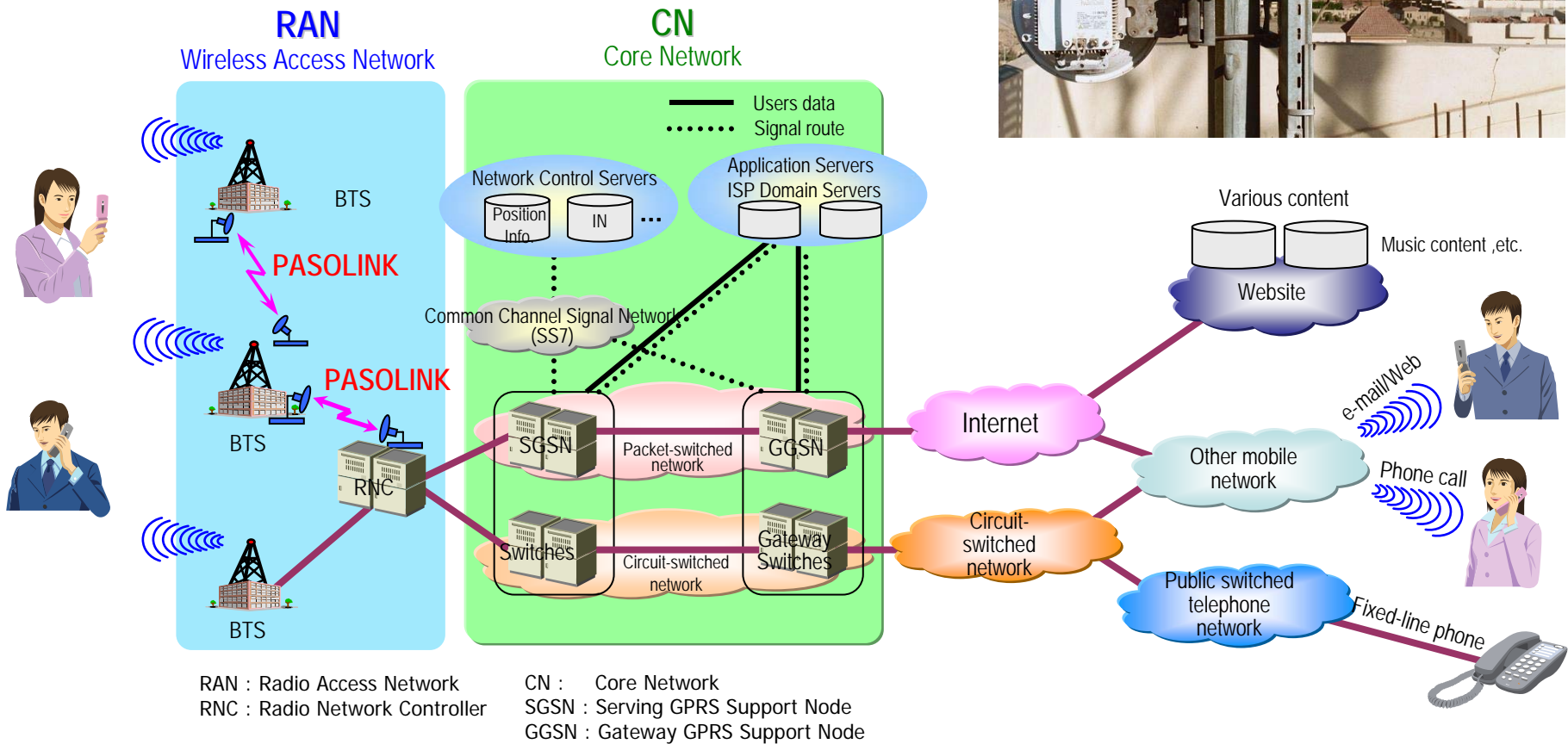


# History of PASOLINK



# PASOLINK Used for Mobile Network

PASOLINK for easier system construction



# Current Status of PASOLINK Business

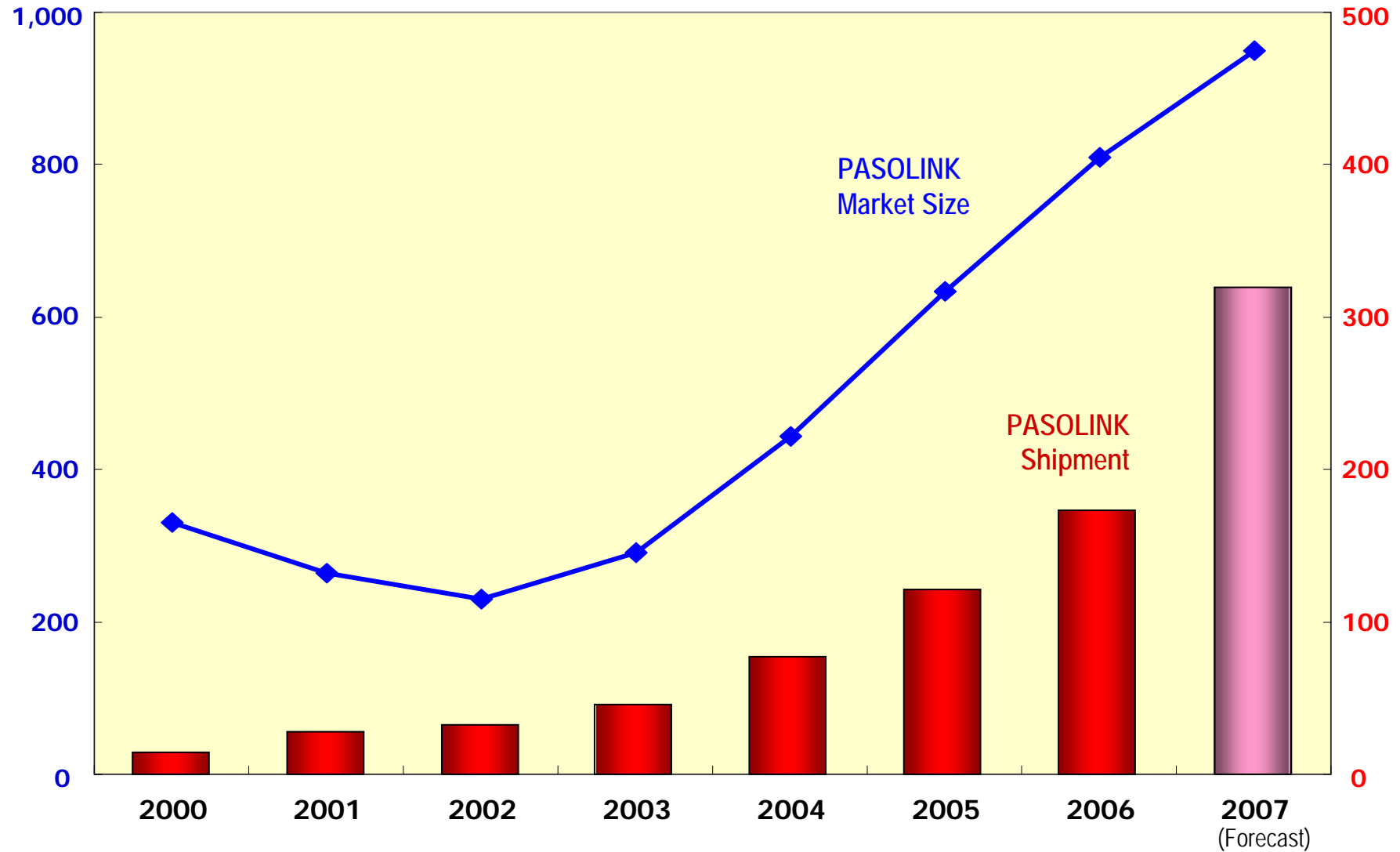


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# PASOLINK Market & Shipments

PASOLINK  
Market (Units)

PASOLINK  
NEC Shipments (Units)

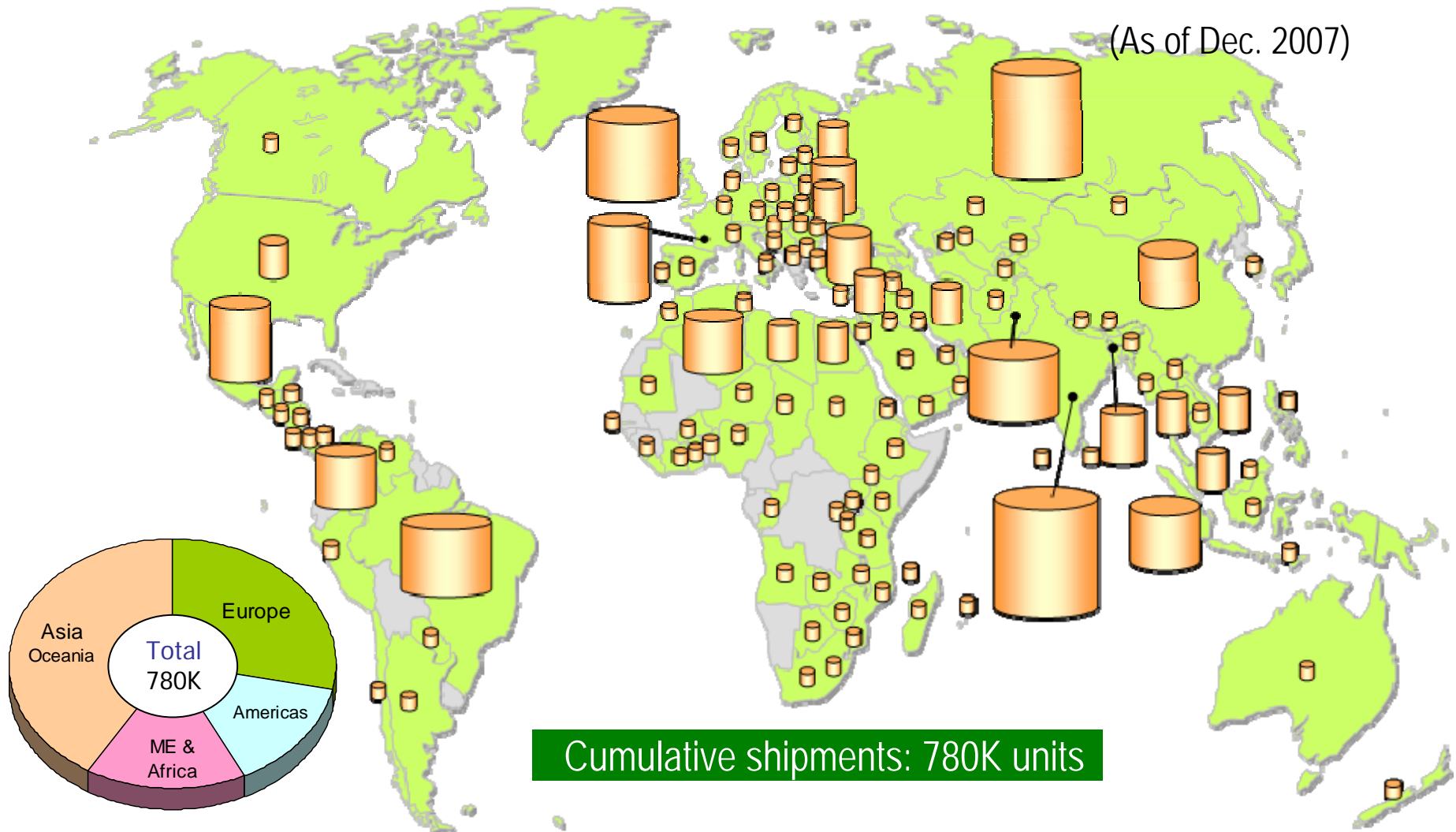


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# PASOLINK Supply Record

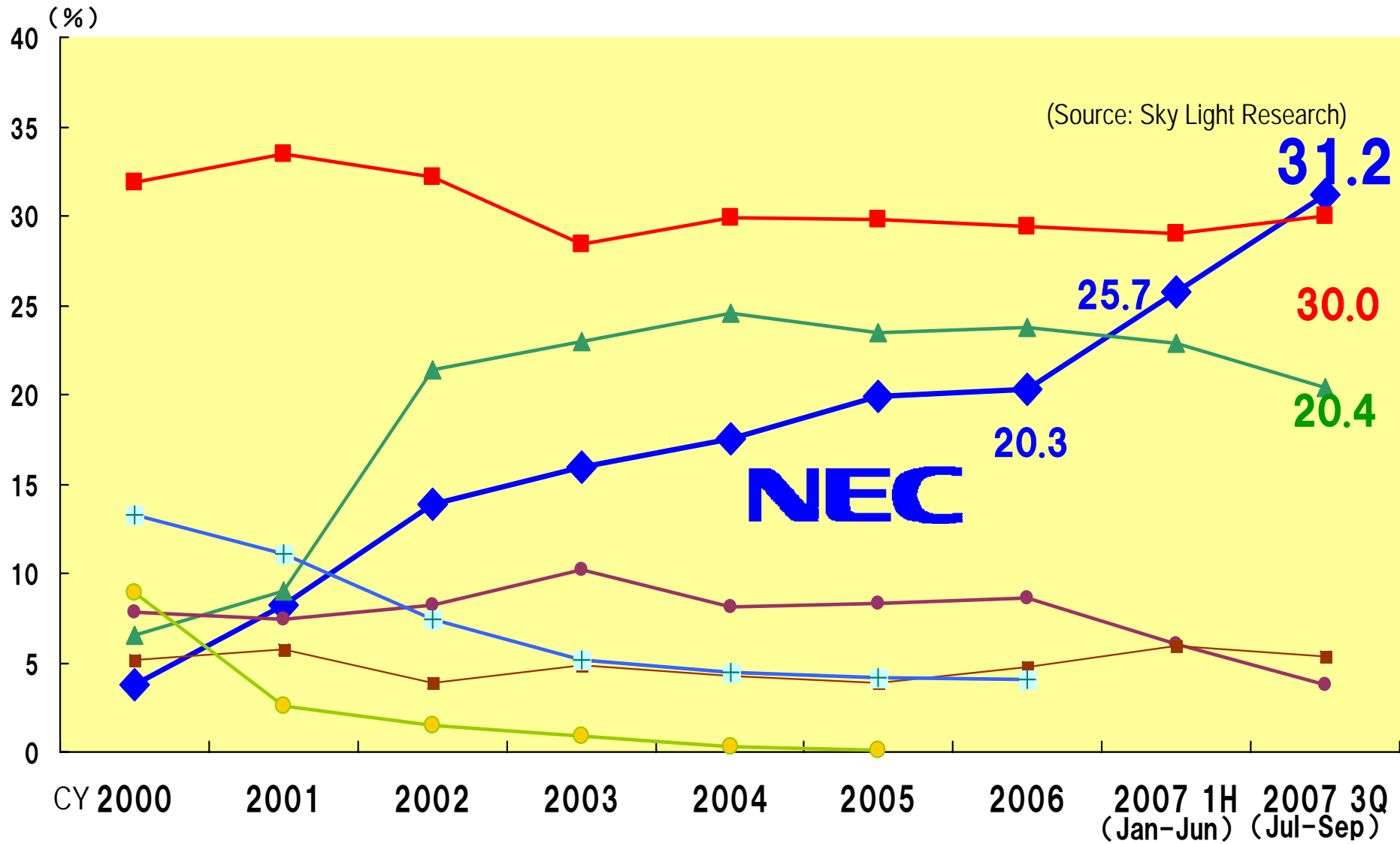
**Supplied to 131 countries**

(As of Dec. 2007)



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# PASOLINK Worldwide Market Share



\*Data for vendors established through business integration are shown on a post-integration basis.

# Strength of NEC's PASOLINK

## ■ Product Competitiveness

- High quality
- Various features & extensibility
- **Broad lineup**  
(Frequency, transmission capacity)
- Small & light

## ■ Strengths by means of Global SCM

- Flexible turnaround times
- Price competitiveness

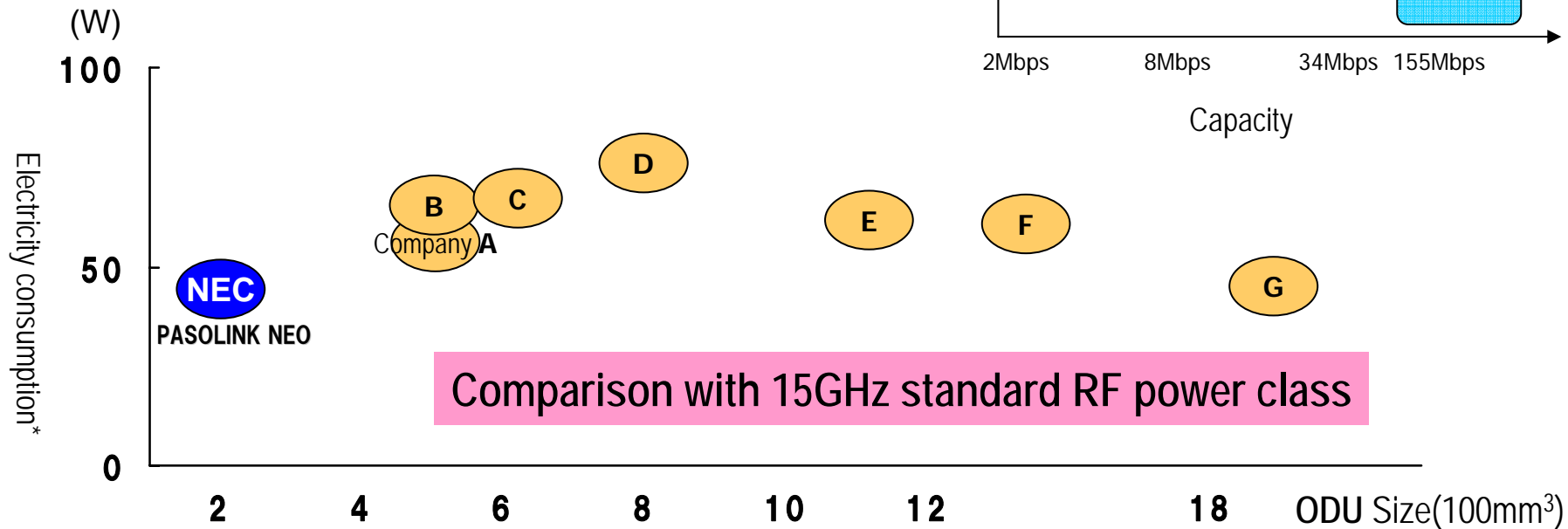
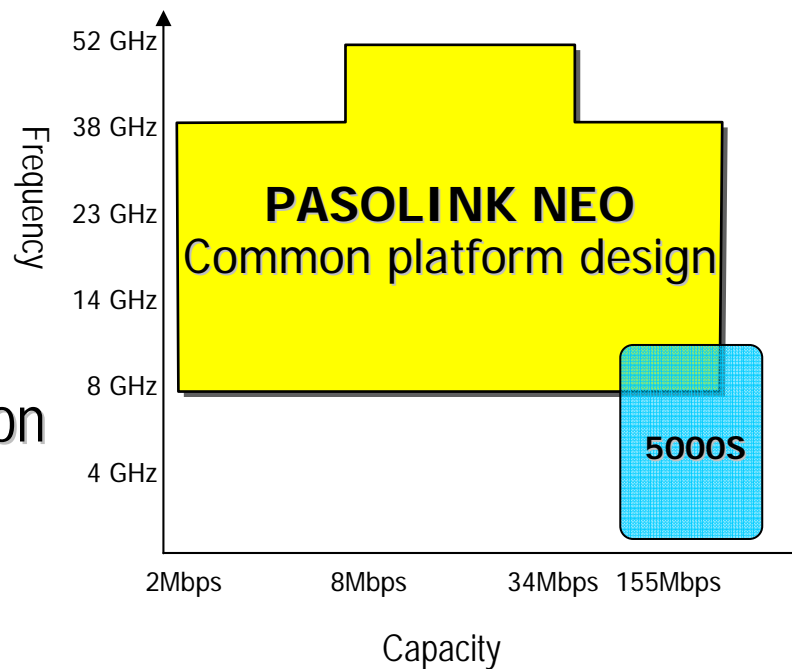
*Production  
Capability*

## ■ Marketing & Brand Power

- Awareness & credibility in international wireless business established over 40 years

# Outstanding Product Quality

- High credibility
  - Over 100 years link MTBF\*
    - \* MTBF: Mean Time Between Failures
- Broad lineup
  - Both in frequency & capacity
- Small-size and low electricity consumption



\* Total consumption of IDU and ODU

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# PASOLINK Business Strategy

# Business Environment

- Continuous growth of demand for mobile access networks
  - Strong demand in Asia/Middle East/Africa
  - Stronger Need for expansion of capacity due to increase of mobile traffic
  
- Expected growth of broadband access market
  - Applying to WiMAX backhaul network
  
- More various & sophisticated customer requests
  - Capacity increases
  - Adaptation to IP network

# Pasolink Business Policy

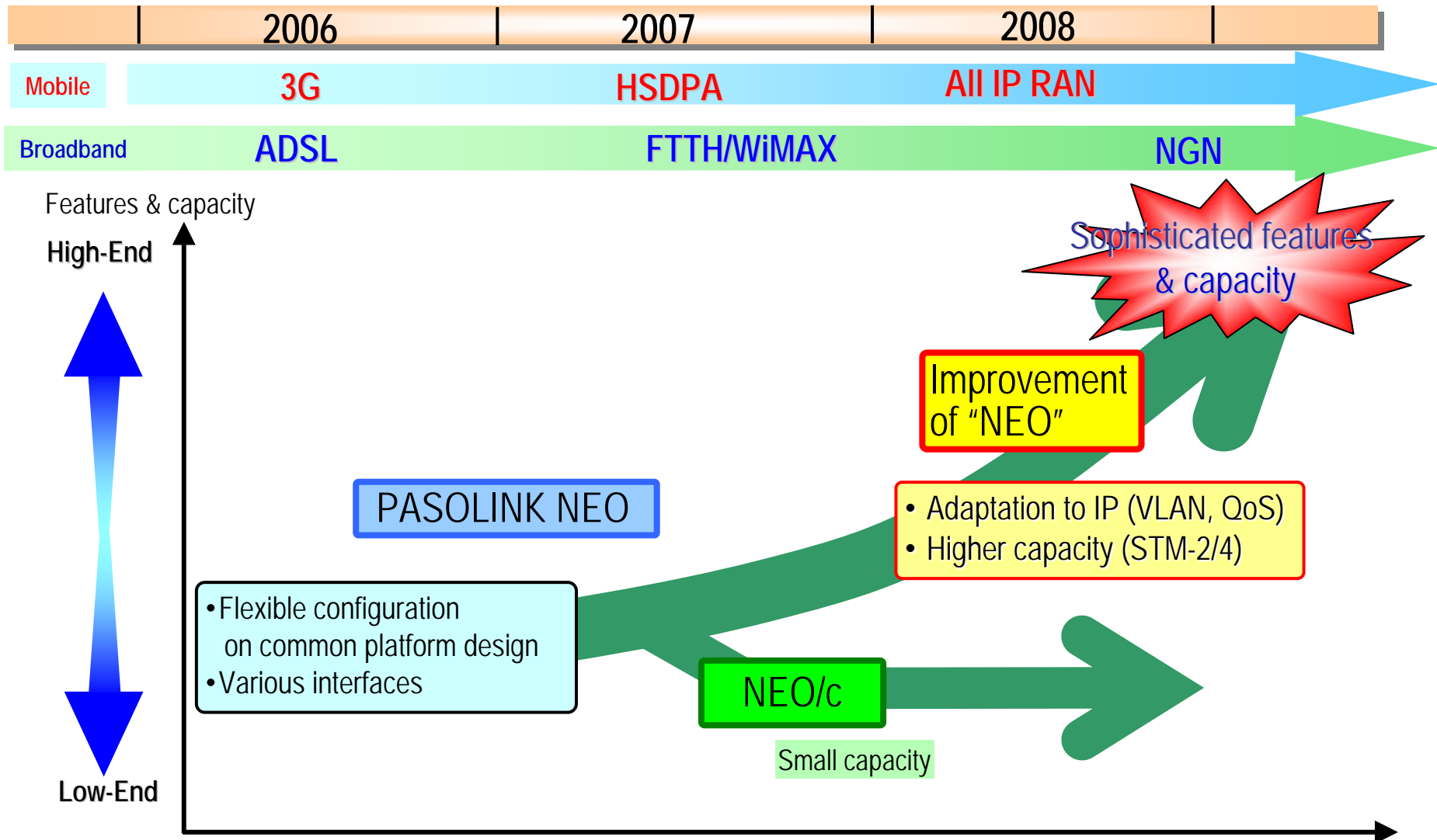
- I. Business Expansion Through Enhanced Marketing
- II. Strengthen Technological Development
- III. Maintain High Customer Satisfaction
- IV. Stronger Global Supply Chain Management

# I. Business Expansion Through Enhanced Marketing

- Focus on high-growth mobile access market
  - Further cultivation of Asian market
  - Firmer foothold in Middle East & African markets
- Strategic relationship with global operators  
and partnership with other vendors
  - Further penetration targeting European operators
  - Expansion of market coverage in partnership with other network infrastructure vendors
- Cultivation of new markets
  - Capture demand for WiMAX access networks

## 2. Strengthen Technological Development

- Advanced realization of market needs -



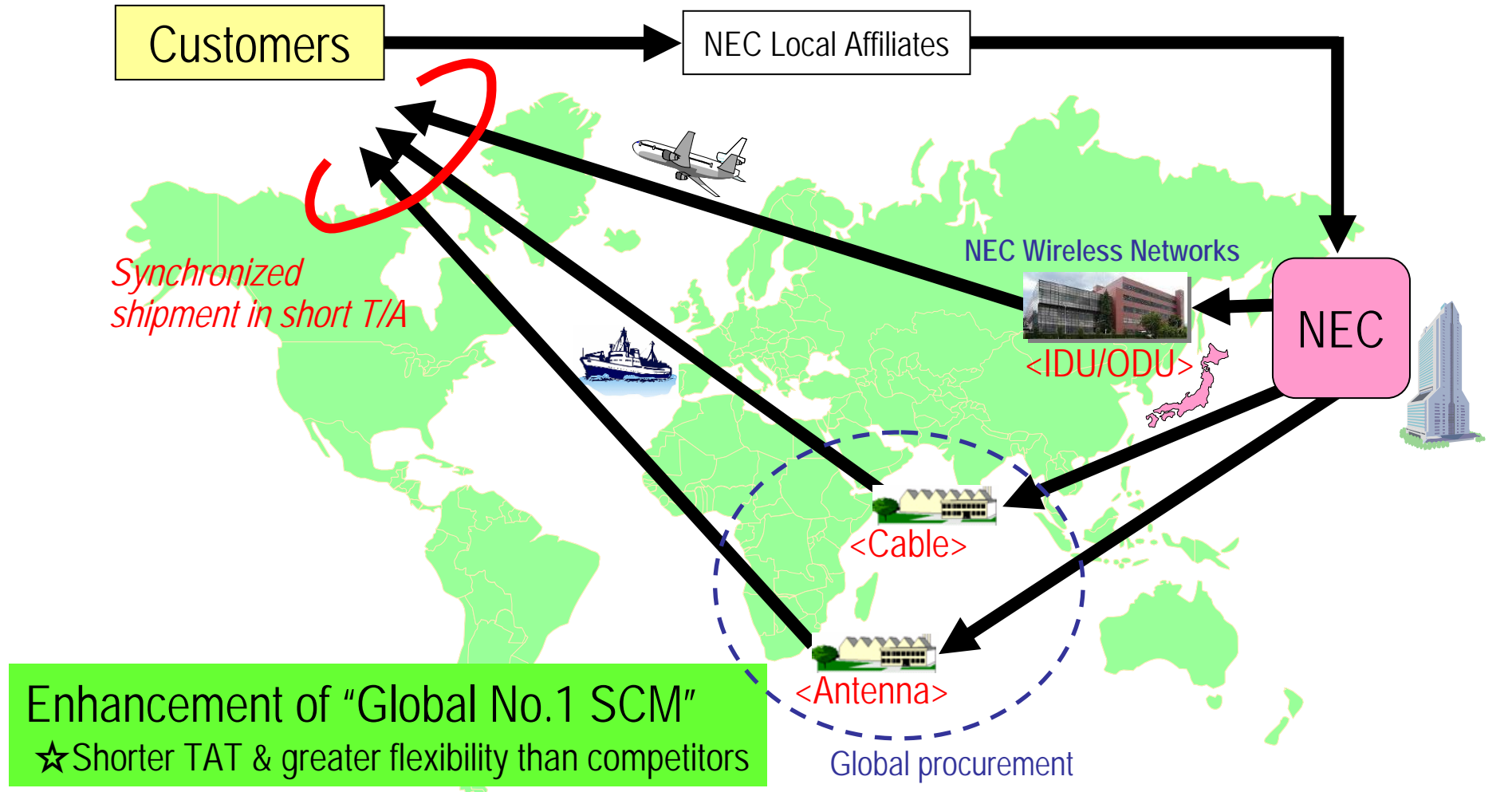
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### III. Maintain High Customer Satisfaction

- Maintaining high quality
- Supply chain management
- Provision of high additional value to customers
  - Professional Services
    - ✓ Wireless system designing or network optimization
    - ✓ Consultation
    - ✓ System upgrade

# IV. Stronger Global Supply Chain Management

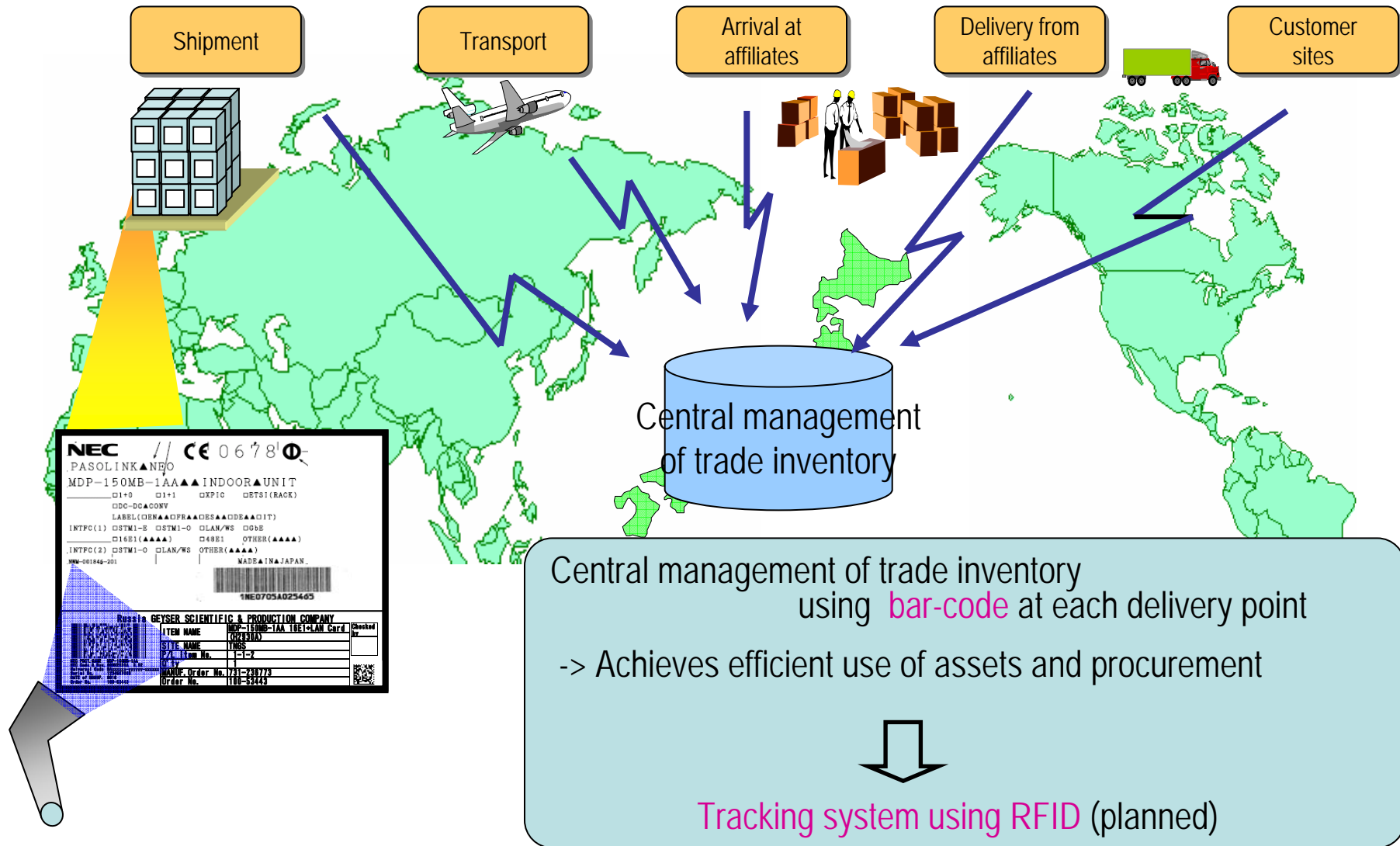
## (1) Optimization of Global SCM



Enhancement of "Global No.1 SCM"  
★ Shorter TAT & greater flexibility than competitors

# IV. Stronger Global Supply Chain Management

## (2) World-wide “visualization”



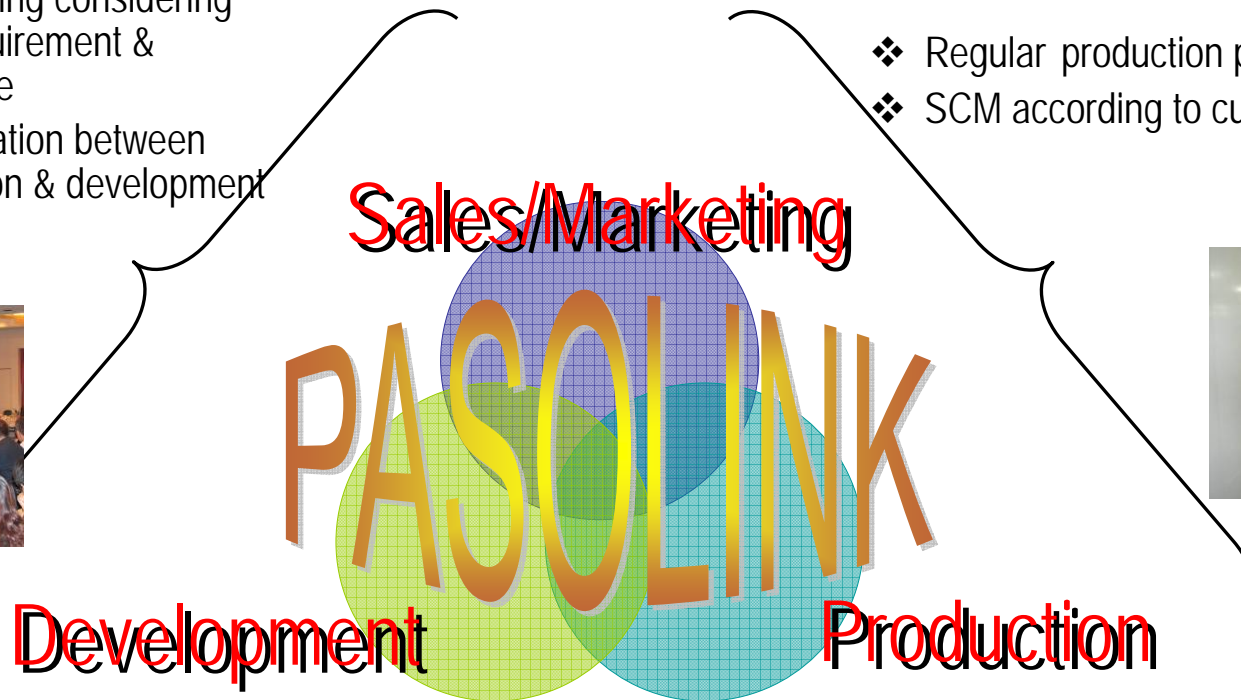


# Triune Business Operations

- ❖ Product planning considering customer requirement & business value
- ❖ Close cooperation between solution section & development section



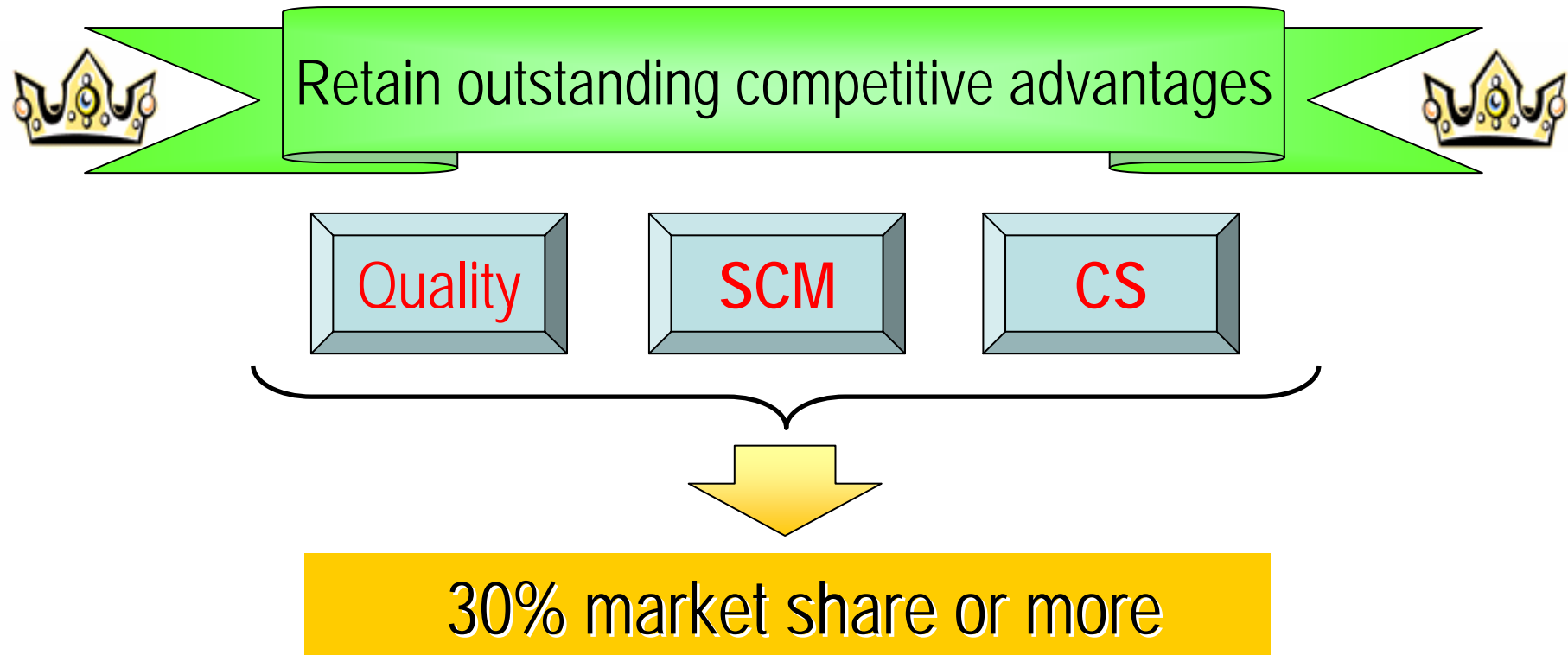
- ❖ Regular production planning meeting
- ❖ SCM according to customer needs



- ❖ Concurrent development with productivity-focus
- ❖ Smooth migration from development to production start-up



# Target



We will pursue further growth of PASOLINK business as one of our core wireless system businesses

Empowered by Innovation

**NEC**